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FOR IMMEDIATE RELEASE:

FLORIDA PUBLIC COUNSEL ASKS PSC TO CUT FPL RATES BY \$679 MILLION

Tallahassee, FL, Monday, June 27, 2004—Florida Power and Light (FPL) wants to increase its rates by \$430 million per year. Florida's Public Counsel wants to reduce FPL's rates by \$679 million per year. FPL customers will have an opportunity to voice their opinions on the issue in Daytona Beach, Melbourne, West Palm Beach, Ft. Lauderdale and Miami this week in a series of public hearings that start Tuesday.

Florida's Public Counsel, Harold McLean, announced today that he was filing testimony today that will request a reduction of \$679 million in the rates that Florida Power & Light charges its customers, instead of increasing charges by \$430 million as proposed by FPL.

"Florida Power & Light filed a request for a \$430 million rate increase starting in 2006 and we believe that the company's case is significantly overstated," McLean said. "We have reviewed all of the company's documents and we believe that the company can reduce its rates by \$679 million annually and still earn a fair and reasonable return on its Florida investments," he added. Today's filing includes the testimony of eight expert witnesses who will back up the Public Counsel's claims.

FPL filed a request with the Florida Public Service Commission earlier this year for approval of a \$430 annual increase in its rates starting in 2006 and an additional \$122 million in June, 2007. The Florida Public Service Commission is currently holding public hearings throughout the FPL service territory and a final decision is expected by November.

The Florida Public Counsel is appointed by the Florida Legislature and is responsible for representing the citizens in public utility regulatory matters.

The Public Counsel proposals are centered on the company's request for authorization of a fair rate of return for its investment and the amount of depreciation expense that the company is authorized to collect. The company is requesting approval for an 11.8% return. Public Counsel contends that 8.8% is a reasonable return for utility investors in today's financial climate. In addition, Public Counsel has identified \$2.4 billion of excessive depreciation reserves that should be credited back to customers as soon as possible.

"FPL, itself, concedes that it has a depreciation surplus of \$1.6 billion, however, the company proposes to keep the surplus and reduce future depreciation expenses over the next 20 years," stated McLean. "However," he added, "the Commission has a solid history of eliminating depreciation deficiencies on an expedited basis, and we are only requesting here that the Commission take consistent action when a company has collected too much depreciation expense."

Public hearings are scheduled in several Florida cities this week, as follows:

Daytona Beach--Tuesday, 4 p.m., City Hall
Melbourne—Wednesday, 9 a.m., Brevard County Governmental Center
West Palm Beach—Wednesday, 6 p.m., Palm Beach Governmental Center
Ft. Lauderdale—Thursday, 9 a.m., City Hall
Miami—Thursday, 4 p.m., City Hall

For more information call Harold McLean or Charlie Beck, 850-488-9330